are being funded at present by the Government of India or proposed to be provided funds in the near future?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI MADHAVSINH SOLANKI): (a) to (c) The relations between India and Nepal have been deepened and strengthened during recent years through exchange of a number of high-level visits, the most recent of which was the visit of Prime Minister G.P. Koirala of Nepal to India from 5-10 December, 1991. During the course of the visit, extensive and fruitful discussions were held on a wide range of issues of mutual interest and benefit. A number of treaties and agreements—an Indo-Nepal Treaty of Trade, an Indo-Nepal Treaty of Transit, an Agreement for Cooperation in Controlling Unauthorised Trade, a Memorandum of Understanding for the establishment of the B.P. Koirala India-Nepal Foundation and Memorandum of Understanding on cooperation in the field of agriculture were signed during the visit. The Trade Treaty contains several new facilities and concessions for promoting Nepalese exports to India, and the new Transit Treaty has considerably simplified customs and other procedures. Both sides have committed themselves to cooperating fully to control the growing scourge of smuggling which seriously affects the Indian economy.

A number of key decisions were also taken concerning various hydel projects and other aspects of cooperation in water resources development, the sector with the maximum potential for substantially benefitting both countries. Special emphasis was laid on promoting India-Nepal joint ventures including a particularly favourable access regime to the Indian market for the products of approved joint ventures-with a view to assisting the industrial development of Nepal. It was also decided that special attention would be paid to promoting joint ventures in agro-industries and other projects directly related to rural development and employment generation in rural areas of Nepal.

A number of new Indian-aided projects were also indentified, in the fields of public health, communications and telecommunications. Concrete steps were indetified for promoting cooperation in civil aviation & tourism.

As a follow-up of the visit, a number of Indian experts teams have visited Nepal to discuss the modalities for implementing some of the projects mentioned above, such as the Bir Hospital Expansion project, the B.P. Koirala Institute of Medical Sciences Project, the Rangeli telephone exchange project, some road projects, etc. Both sides would be taking necessary steps in future to implement these and other projects which had been agreed to during the visit of Prime Minister of Nepal to India. Thus, both Governments have prepared the ground for ushering in a new era in mutually benefical bilateral cooperation.

Sale of Defence Items to Pakistan by USA

2742. SHRI KAPIL VERMA:
SHRIMATI SATYA BAHIN:
SHRIMATI VEENA VERMA:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government have received reports of sales of ammunitions and spare parts to Pakistan;

(b) whether Government have seen statement of state Department spokesman Richard Boncher in February justifying it on ground that it was commercial export; and

(c) if so, what is Government's reaction and whether issue has been taken up with U.S. administration?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI MADHAVSINH SOLANKI): (a) Yes Sir.

(b) Yes Sir.

(c) Govt. constantly monitors all developments having a bearing on India's security environment and take necessary steps to safeguard India's security. Foreign Secretary discussed this issue with the US Administration during his recent visit to Washington.